UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF TEXAS LAREDO DIVISION

IN RE: § **CASE NUMBER:**

§

§ SERVICE STOP, L.P. 13-50126-L2-11

(Chapter 11)

DEBTOR

TRUSTEE'S MOTION FOR AN ORDER UNDER 11 U.S.C. § 506(c) SURCHARGING COLLATERAL AND GRANTING RELATED RELIEF

THIS MOTION SEEKS AN ORDER THAT MAY ADVERSELY AFFECT YOU. IF YOU OPPOSE THE MOTION, YOU SHOULD IMMEDIATELY CONTACT THE MOVING PARTY TO RESOLVE THE DISPUTE. IF YOU AND THE MOVING PARTY CANNOT AGREE, YOU MUST FILE A RESPONSE AND SEND A COPY TO THE MOVING PARTY. YOU MUST FILE AND SERVE YOUR RESPONSE WITHIN 21 DAYS OF THE DATE THIS WAS SERVED ON YOU. YOUR RESPONSE MUST STATE WHY THE MOTION SHOULD NOT BE GRANTED. IF YOU DO NOT FILE A TIMELY RESPONSE, THE RELIEF MAY BE GRANTED WITHOUT FURTHER NOTICE TO YOU. IF YOU OPPOSE THE MOTION AND HAVE NOT REACHED AN AGREEMENT, YOU MUST ATTEND THE HEARING. UNLESS THE PARTIES AGREE OTHERWISE, THE COURT MAY CONSIDER EVIDENCE AT THE HEARING AND MAY DECIDE THE MOTION AT THE HEARING.

REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.

A HEARING WILL BE CONDUCTED ON THIS MOTION ON APRIL 17, 2015, AT 10:30 A.M. IN COURTROOM 3C, 1300 VICTORIA STREET, LAREDO, TEXAS 78040.

TO THE HONORABLE DAVID R. JONES. UNITED STATES BANKRUPTCY JUDGE:

Elizabeth M. Guffy, as the Chapter 11 Trustee for Service Stop, LP (the "Trustee"), files this Motion for an Order Under 11 U.S.C. § 506(c) Surcharging Collateral and Granting Related Relief (the "Motion"), and in support thereof states the following:

I. SUMMARY

- 1. In November of 2013, five months into this bankruptcy, Commerce Bank sought relief from the automatic stay, and the stay was lifted in January 2014. Though Commerce Bank posted the Debtor's property for foreclosure on multiple occasions, it chose not to go through with a foreclosure. Instead, having determined that an orderly liquidation of the Debtor's assets was in the best interests of the estate and its creditors, Commerce Bank filed a motion in May of 2014 seeking conversion of the case to chapter 7. A few months later, Commerce Bank made an oral motion to appoint a chapter 11 trustee. Fourteen months after the Petition Date, the Trustee was appointed at the behest of Commerce Bank.
- 2. Since her appointment, the Trustee and her professionals have provided services and incurred costs to preserve, and dispose of, Commerce Bank's collateral. The Trustee requests an Order under 11 U.S.C. § 506(c) authorizing a surcharge of the property securing Commerce Bank's claims against the Debtor, or alternatively, an order obligating Commerce Bank to otherwise satisfy any surcharge awarded.

II. JURISDICTION, VENUE, AND BASIS FOR RELIEF

- 3. This Court has jurisdiction over this Motion and the requested relief under 28 U.S.C. §§ 157 and 1334. Venue is proper under 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding under 28 U.S.C. § 157(b).
 - 4. The relief requested is pursuant to 11 U.S.C. § 506(c) and Bankruptcy Rule 9014.

III. <u>BACKGROUND</u>

5. On July 1, 2013, Service Stop, LP (the "<u>Debtor</u>") filed a voluntary petition for relief pursuant to Chapter 11 of the Bankruptcy Code, 11 U.S.C. § 101 *et seq*. The Debtor remained in possession and continued to operate the business until the appointment of a chapter 11 trustee.

- 6. On August 11, 2014, the US Trustee for the Southern District of Texas was ordered to appoint a disinterested person to serve as chapter 11 trustee.
- 7. On August 13, 2014, an order was signed approving the appointment of Elizabeth M. Guffy as Chapter 11 Trustee for this case.
- 8. Since her appointment, the Trustee has performed all duties required of her as chapter 11 trustee, including without limitation:
 - a. Investigating the acts, conduct, assets, liabilities and financial condition of the Debtor;
 - Investigating the status and viability of the Debtor's business operations and the desirability of continuing those operations;
 - Considering all matters relevant to whether to a plan of reorganization or liquidation should be pursued;
 - d. Determining, after careful consideration, that the best interests of the estate and its creditors would be served by pursuing a sale of the Debtor's business as a going concern and implementing Court-approved auction and sale procedures set forth in the Bidding Procedures Order [Dkt. No. 126];
 - e. Preparing and filing a Status Report of the Trustee's investigation and conclusions. [Dkt.
 No. 110]; and
 - f. Discovering that the Debtor had been allowed to go without critical insurance coverage for a significant period of time. The Trustee promptly obtained insurance coverage in the form of a package policy providing various necessary coverages to protect the business and the estate.

- 9. To assist in the performance of her duties, the Trustee filed her Application to Employ Stout Risius Ross, Inc. ("SRR") as Financial Advisors on August 20, 2014. [Dkt. No. 87]. The Court granted the application on September 16, 2014. [Dkt. No. 92].
- 10. Once it was determined that a sale of the Debtor's business should be pursued, the Trustee filed her Application to Employ Walker Wilcox Matousek, LLP ("WWM") as her legal advisors. The Court granted the application on October 30, 2014. [Dkt. No. 101].

IV. RELEVANT FACTS

- Once the Trustee determined that a sale of the Debtor's business as a going concern was in the best interests of the estate and its creditors, the Trustee worked with her advisors to develop a strategy for the marketing and sale of the business designed to yield the highest returns for the estate. The Trustee then prepared and filed her motion seeking approval of the auction and sale process. Pursuant to the schedule and requirements set forth in the Bidding Procedures Order, the Trustee, together with her legal and financial advisors, implemented a marketing plan for the Debtor's business, prepared and regularly updated a data room, communicated with numerous potential bidders and performed all other actions reasonably likely to attract potential bidders and increase the ultimate sale price for the Debtor's business.
- 12. The Trustee received four bids for the Debtor's business, including the credit bid submitted by Commerce Bank. The auction and sale hearing are scheduled for March 20, 2015. Based on the existing bids, but subject to the results of the auction, it is unclear whether sufficient proceeds will be realized from the sale of the business to pay all secured and administrative claims against the estate, including projected administrative expenses to conclude the plan process following the sale.
- 13. Commerce Bank asserts that it holds, as of February 2015, secured claims against the estate totaling \$2,582,458.97.

- 14. In addition, various tax authorities have asserted secured claims against the estate for unpaid pre-petition ad valorem property taxes totaling approximately \$284,285.00, and assuming additional accrual of interest and penalties, the taxing authorities asserted pre-petition claims are estimated to be approximately \$296,147.00.
- 15. The professional fees incurred by SRR from August 2014 through February of 2015 total \$152,582.70,¹ and the fees incurred by WWM from October 2014 through February 2015 total \$81,430.50, plus \$2,525.52 in expenses. Subject to final allowance by the Court, these fees and expenses constitute administrative expenses that benefitted the estate and were necessary to protect and preserve, and dispose of, the estate assets that serve as collateral for Commerce Bank's claims. The Trustee estimates an additional \$165,000 in legal and financial advisor fees may be incurred through the conclusion of this case following the sale.
- 16. The Trustee's compensation under 11 U.S.C. § 326 also constitutes an administrative expense. Through January 2015, the Trustee disbursed \$2,593,887.57 for which the Trustee is entitled to compensation in the amount of \$102,566.63. Depending on the amount received in the sale, the total compensation owed to the Trustee under § 326 is expected to reach approximately \$200,000.00.

Since its engagement, SRR has performed numerous services critical to the Trustee's performance of her duties. SRR's first priority was to undertake a feasibility analysis of the Debtor's business, to determine whether continued operations were warranted and whether the Trustee should pursue a reorganization or a liquidation. SRR made two initial trips to Laredo to meet with Debtor's management and assess the viability and condition of the business. SRR identified and worked to address problems it found with the Debtor's bookkeeping practices, including: inaccurate and disorganized records, expenses that were incorrectly recorded or not recorded at all, the post-petition payment of pre-petition liabilities, the failure to record and pay property and payroll taxes, the use of Debtor's funds by Patricia Jacaman for personal expenses, and several other problems. These bookkeeping problems spilled over into the Debtor's MORs. The MORs filed prior to the Trustee's appointment included nondebtor income and were woefully incomplete and inaccurate because of the numerous bookkeeping problems described above. SRR worked extensively with Debtor's management on the proper preparation of the MORs, profit and loss statements and balance sheets, but management proved incapable of, or unwilling, to provide proper reports and supporting records. SRR was required to assume responsibility for the preparation of the MORs going forward, which has proved to be a difficult and time-consuming task. SRR found that preparing the MORs required a trip to Laredo to meet with management. Preparing the MORs from Houston proved to be inefficient and impractical given the issues with the Debtor's financial records. SRR has also provided extensive and critical services to the Trustee in connection with the ongoing sale process.

17. In addition, the Trustee estimates that current post-petition tax obligations total \$137,700.02, which includes \$61,083.15 in payroll taxes and \$76,616.87 in ad valorem property taxes.

V. <u>RELIEF REQUESTED</u>

- 18. The relief requested in this Motion is authorized by 11 U.S.C. § 506(c), which provides the "Trustee may recover from property securing an allowed secured claim the reasonable, necessary costs and expenses of preserving, or disposing of, such property to the extent of any benefit to the holder of such claim, including the payment of all ad valorem property taxes with respect to the property." 11 U.S.C. § 506(c).
- 19. The legislative statement accompanying § 506(c) provides that the purpose of this section is the ensure that "[a]ny time the trustee . . . expends money to provide for the reasonable and necessary cost and expenses of preserving or disposing of a secured creditor's collateral, the trustee or debtor in possession is entitled to recover such expenses from the secured party or from the property securing an allowed secured claim held by such party."
- 20. The requirements for approving a § 506(c) surcharge are that the expenditures were necessary, the amounts expended were reasonable, and the creditor to be surcharged benefitted from the expenses. *Matter of Senior-G & A Operating Co., Inc.*, 957 F.2d 1290, 1298-99 (5th Cir. 1992). Each of these requirements is satisfied here.
- 21. The costs and expenses incurred by the Trustee since her appointment have all been reasonable and necessary to preserve and/or dispose of Commerce Bank's collateral, and such expenses have been an actual benefit to Commerce Bank. Accordingly, the Trustee should be granted a surcharge against Commerce Bank or its collateral to the full extent of those costs and expenses. Likewise, all additional costs and expenses to be incurred by the Trustee in concluding this case post-sale, will be incurred in connection with the disposition of Commerce Bank's collateral and will provide a benefit to the bank.

- 22. Commerce Bank's actions and positions during this case strongly support the Trustee's request, as it was Commerce Bank that chose to allow the bankruptcy to continue in chapter 11 by electing not to enforce its foreclosure rights after the stay was lifted. And it was Commerce Bank that moved for the appointment of a chapter 11 trustee. As shown below, instead of taking upon itself the cost and risk of preserving and disposing of its collateral, Commerce Bank chose to have the Trustee perform those duties for the Bank's benefit. That is precisely what the Trustee has done.
- 23. First, Commerce Bank filed its Motion for Relief from Stay on November 15, 2013, alleging repeated events of post-petition default by the Debtor and making other relevant contentions. [Dkt. No. 17]. For example, the Bank alleged the Debtor was continuing to use the Bank's cash collateral without approval from the Court. [Dkt. No. 17, p. 7]. Docket entry No. 12 indicates that the issue of the use of cash collateral was also raised in Court at a hearing on August 16, 2013, during which the Court directed counsel and the Bank to discuss the issue and file a motion seeking appropriate relief if necessary. The issue was not raised again. The Bank has been aware of the Debtor's use of cash collateral since at least August of 2013, but the Bank has taken no action to address any concerns it may have had. The Bank knew its collateral was being used to fund the Debtor's operations.
- 24. Perhaps more importantly, in the Stay Relief Motion the Bank also alleged that the Debtor had no equity in the properties securing the Bank's claims. [Dkt. No. 17, p. 11]. Because the Bank believed there was no equity in the properties, the Bank necessarily knew that its collateral would be the only potential source of funding for the estate. The Bank also knew that a request for surcharge under 11 U.S.C. § 506(c) would likely be made, yet it continued through its silence to consent to the use of its collateral.
- 25. Second, although the Bank's Stay Relief Motion was granted on January 8, 2014 [Dkt. No. 34], the Bank has taken no action to foreclose or otherwise recover its collateral since that order was entered. If the Bank desired to avoid the additional costs and fees that would be incurred by the estate, it could have

enforced its rights under the Stay Relief Order and foreclosed its lien on the collateral. It elected not to do so.

- 26. Notably, on January 17, 2014, little over a week after the Stay Relief Order was entered, the Bank filed a Notice of Default reporting additional events of default by the Debtor. [Dkt. No. 38]. The Bank noted that the stay had been lifted and that it was free to pursue all of its available remedies, including foreclosure, without notice to the Debtor or opportunity to cure. *Id.* Fourteen months have passed since the Notice of Default was filed, yet the Bank has taken no action to enforce its available remedies.² By its inaction, the Bank has consented to the continued operation of the Debtor's business in bankruptcy, and it should be deemed to have likewise consented to the use of its cash collateral to fund this case.
- 27. Third, on May 7, 2014, in the face of continuing alleged defaults by the Debtor, and instead of foreclosing its liens, the Bank filed its Motion to Convert Case to Chapter 7. [Dkt. No. 59] In that Motion, the Bank argued the Debtor could not propose any feasible plan of reorganization, and that an orderly liquidation of the Debtor's assets was in the best interests of all creditors of the estate. [Dkt. No. 59, p. 6].
- 28. Finally, on August 8, 2014, the Bank made an oral motion for the appointment of a chapter 11 trustee. *See* Dkt. No. 81, Order Appointing Chapter 11 Trustee. Thus, the Trustee was appointed at the behest of the Bank. The Bank knew the Trustee would incur costs in the ongoing operation and administration of the Debtor's business and its estate, including costs and fees of professionals like Stout Risius Ross, Inc. and Walker Wilcox Matousek, LLP. As noted above, the Bank believed as early as May of 2014 that an orderly liquidation of the Debtor's assets was in the best interest of the estate and its creditors, and that is precisely the course of action that has been undertaken by the Trustee.

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Although the Bank apparently posted the properties for foreclosure numerous times, the Bank always passed the foreclosure dates based on various agreements and discussions with the Debtor and its counsel.

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29. By choosing not to enforce its non-bankruptcy remedies and thereby allowing the Debtor

to remain in Chapter 11, including seeking the appointment of the Trustee, the Bank has allowed this case

to continue. The Bank chose this course of action by foregoing its right to foreclose on the Debtor's only

assets. In doing so, the Bank elected to have the estate to bear the costs of preserving and protecting, and

disposing of, the Bank's collateral. This is precisely the circumstance for which § 506(c) was intended, and

the Trustee's Motion should be granted.

WHEREFORE, the Trustee respectfully requests that this Court grant the foregoing Motion

and enter an Order: (i) providing for a surcharge against Commerce Bank and the property securing

Commerce Bank's claims, up to the full amount of all allowed professional fees and expenses, all trustee

fees owed under 11 U.S.C. § 326, and all post-petition ad valorem taxes owed by the estate, and (ii) and

granting all other relief as deemed just and proper.

DATED: March 18, 2015

Respectfully submitted,

By: <u>/s/ Tony L. Draper</u>

Tony L. Draper Texas State Bar No. 00798156

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COUNSEL FOR ELIZABETH M.

GUFFY, CHAPTER 11 TRUSTEE

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CERTIFICATE OF SERVICE

I hereby certify that on March 18, 2015 a true and correct copy of the foregoing pleading was served electronically on all parties registered for service through the Court's ECF system and on March 19, 2015 by first class mail, postage prepaid, on the parties on the attached service list.

<u>/s/ Tony L. Draper</u>
Tony L. Draper

Party	Contact Person	Contact Firm	Address1	Address2	City	State	Zip
Commerce Bank	Diann M. Bartek	Cox Smith Matthews Incorporated	1400 N. McColl Road	Suite 204	McAllen	Texas	78501
US Trustee	Hector Duran		515 Rusk	Suite 3516	Houston	Texas	77002
US Trustee	Stephen Statham		515 Rusk	Suite 3516	Houston	Texas	77002
1st CHOICE MERCHANT SOLUTIONS		First Data Processing	1202 E. Del Mar Blvd		Laredo	Texas	78041
A TO Z		g	2310 E. Saunders St		Laredo	Texas	78044
A TO Z TIRES			2310 E. Saunders St		Laredo	Texas	78044
ADVANCED AUTO PARTS			3219 San Bernardo Ave		Laredo	Texas	78044
AMERICAN EXPRESS			P.O. Box 297804		Fort Lauderdale		33329-7804
AMERICAN GENERAL			3210 Loop 20	Suite 6	Laredo	Texas	78043
ARMSTRONG MCCALL OF LAREDO			3717 McClelland Ave	ouno o	Laredo	Texas	78043
AT&T			PO BOX 5001		CAROL STREA		60197-5001
BBVA COMPASS BANK			102 Del Ct		Laredo	Texas	78043
CENTERPOINT ENERGY			PO BOX 4981		HOUSTON TX	Texas	77210-4981
CHAMPION CARE			1419 Market St		Laredo	Texas	78043
CITY OF LAREDO	ATTN: MARY ANN JIMENEZ		P.O. BOX 2337		Laredo	Texas	78044-2337
CITY OF LAREDO HEALTH DPT	ATTN: MARY ANN JIMENEZ		P.O. BOX 2337		Laredo	Texas	78044-2337
CITY OF LAREDO TAX ASSESSOR-COLLECT			P.O. BOX 6548		Laredo	Texas	78042-6548
CITY OF LAREDO TAX DEPT.	OK .		P.O. BOX 6548		Laredo	Texas	78042-6548
CITY OF LAREDO UTILITES			PO BOX 6548		Laredo	Texas	78042
Deluxe Business Checks & Solutions			PO BOX 64468		St. Paul	MN	55164-4468
DIRECT ENERGY			1001 Liberty Ave		PITTSBURGH	PA	15222
DIRECT TV			PO BOX 78626		PHOENIX	AZ	85062-8626
DISCOUNT TIRE			7301 McPherson Rd		Laredo	Texas	78041
Texas Department of Public Safety	MOTOR VEHICLE INSPECTION	CEDTIFICATES	P O Box 4087		AUSTIN	Texas	78773-0001
DUANE ROSS	WOTOR VEHICLE INSPECTION	CERTIFICATES	1049 COUNTY ROAD 3651		SANDIA	Texas	78383
EIV GROUP INC			2901 San Dario Ave		Laredo	Texas	78040
ERNESTO DOMINGUEZ CPA			9901 McPherson Rd		Laredo	Texas	78045
EZ DISTRIBUTION			512 MERLIN RD		Laredo	Texas	78043
FDGL LEASE PAYMENT			5565 Glenridge Connector Ne		Atlanta	GA	30342
FIRESTONE			Payment Center PO Box 403727		Atlanta	GA	30384-3727
FIRST CHOICE POWER			12 Greenway Plaza	Suite 250	Houston	Texas	77046
FULL SERVICE			4737 BROOM ST.	Suite 250	SAN ANTONIO		78217-3708
GRAINGER			610 Gale St		Laredo	Texas	78041
HATZOLD PARTS AND SERVICE			1907 EAST 24TH ST		MISSION	Texas	78574
ISI - INTEGRATED SERVICES, INC.			15115 SW SEQUOIA PARKWAY	/ CLUTE 440	PORTLAND	OR	97224
,			P.O. Box 5190	SUITE ITU			
JEFERSON BANK LAREDO DODGE CHRYSLER JEEP RAM					San Antonio	Texas	78201
			6320 Northeast Bob Bullock Loop)	Laredo	Texas	78041
MARINA RAMIREZ			0040 1/	Outte O	1	T	70044
MARKETING DEPOT MKS FINANCIAL SERVICES			6318 Krone 201 E. Abram Street	Suite 6 Suite 120	Laredo	Texas Texas	78041 76010
				Suite 120	Arlington		
NOVA PRINTING			1602 SANTA CLEOTILDE		Laredo	Texas	78040
PATRIA OFFICE SUPPLY			301 E. Carlton Rd		Laredo	Texas	78040
POUL YOUNG			3720 E. Saunders St	Cuito 10	Laredo	Texas	78041
PRESTIGE A/C			5918 McPherson Road	Suite 12	Laredo	Texas	78041
RGV INTEGRITY INSURANCE AGENCY			P.O. Box 534060		Harlingen	Texas	78552
ROBERTO GALVEZ			4040 Viz		1	T	70045
ROMICA INC			1812 Vinewood Oak Ct		Laredo	Texas	78045
SAMES MOTOR CO	DIO ODANDE VALLEY INTEGRA	TV INC. A OFNOV	6001 SAN DARIO AVE		Laredo	Texas	78041-2900
SELECT PREMIUM FINANCE	RIO GRANDE VALLEY-INTEGRI	I Y INS. AGENCY	P.O. Box 534060		Harlingen	Texas	78552
SERVICE CHAMP			1801 WOOLNER AVE		Fairfield	Texas	94533
STAR TEX POWER EPAY			P.O. Box 650827		Dallas	Texas	75265-0827
TEXAS WORKFORCE COMMISSIO			PO BOX 149363		Austin	Texas	78714-9363
TOYOTA OF LAREDO			6324 Northeast Bob Bullock		Laredo	Texas	78041

Party	Contact Person	Contact Firm	Address1	Address2	City	State	Zip
TRIPLE J SUPER LUBE			600 East Calton Rd		Laredo	Texas	78041
TRIPLE J TRAVEL MART			7120 Bob Bullock		Laredo	Texas	78041
U S ENERGY			5215 S. Zapata Hwy		Laredo	Texas	78041
U S POSTAL SERVICE			2700 E SAUNDERS		Laredo	Texas	78041
UNITED ISD TAX OFFICE			3501 E SAUNDERS		Laredo	Texas	78041
WALMART			2320 Northeast Bob Bullock		Laredo	Texas	78041
WALTER C. KELLER			P.O. BOX 2555		McAllen	Texas	78502
WEBB COUNTY TAX ASSESSOR			1000 Houston Street		Laredo	Texas	78040
WIESEHAN SALES & SERVICES INC			P.O. BOX 579		Laredo	Texas	78040
WORKFLOWONE			PO BOX 676496		Dallas	Texas	75267-6496
United States Bankruptcy Court			1300 Victoria Street		Laredo	Texas	78040-5019
Carl M. Barto			RETURNED - no forwarding add	2000	Laieuu	Техаз	70040-3019
Carl Michael Barto		Law Office of Carl M. Barto	817 Guadalupe St.	699	Laredo	Texas	78040-5251
City of Laredo	Christina Flores	Flores & Saucedo, PLLC	5517 McPherson Rd.	Ste. 14	Laredo	Texas	78041-6687
City of Laredo City of Laredo Tax Dept.	Christina Flores Christina Flores	Flores & Saucedo, PLLC	5517 McPherson Rd.	Ste. 14	Laredo	Texas	78041-6687
, ,	Christina Flores	Flores & Saucedo, PLLC		Ste. 14			
Commerce Bank		Laste Land LLD	5800 San Dario	000 T i- 0t	Laredo	Texas	78041-3083
Elizabeth Mary Guffy	/ 0 1 0 ("	Locke Lord LLP	2800 JPMorgan Chase Tower	600 Travis Street		Texas	77002-2914
Freeman & Castillon	c/o Carlos Castillon		6909 Springfield Ave.	Ste. 300	Laredo	Texas	78041-2326
Internal Revenue Service			P.O. Box 7317		Philadelphia	PA	19101-7317
Jordan, Hyden, Womble, Culbreth & Holzer PC			500 N. Shoreline	Suite 900	Corpus Christi	Texas	78401-0341
Laredo Community College	George R. Meurer	Kazen, Meurer & Perez	211 Calle Del Norte	Ste 200	Laredo	Texas	78041-9130
Laredo Community College	George R. Meurer	Kazen, Meurer & Perez	211 Calle Del Norte	Ste 200	Laredo	Texas	78041-9130
Law office of Carl M Barto			817 Guadalupe		Laredo	Texas	78040-5251
Service Stop, LP			1519 Laredo St.		Laredo	Texas	78040-5347
TEXAS WORKFORCE COMMISSION	Regulatory Integrity Division - SAU		101 E 15th St	Room 556	Austin	Texas	78778-0001
The Laredo Community College			211 Calle Del Norte	Ste 200	Laredo	Texas	78041-9130
United I.S.D.	c/o Guillermo Alarcon	Hall, Quintanilla & Alarcon, L.C	1302 Washington St.		Laredo	Texas	78040-4445
United Independent School District	Alberto Alarcon	Hall, Quintanilla & Alarcon, L.C	1302 Washington		Laredo	Texas	78040-4445
United Independent School District	Alberto Alarcon	Hall, Quintanilla & Alarcon, L.C	1302 Washington		Laredo	Texas	78040-4445
US Trustee	Barbara Jue		606 N Carancahua	Suite 1107	Corpus Christi	Texas	78401-0680
Walker Wilcox Matousek LLP		South Tower Pennzoil Place	711 Louisiana	Suite 3100	Houston	Texas	77002-2711
Webb County		Castillo, Montemayor & Solis, PC	7718 McPherson Rd.	Ste. #F-105	Laredo	Texas	78045-2815
Tank Owner Member Insurance Company	Robert Ferguson		1600 West Seventh Street		Fort Worth	Texas	76102-2505
Select Premium	<u> </u>		102 N Washington		El Campo	Texas	77437
ADVANCED AUTO PARTS			3219 San Bernardo Ave		Laredo	Texas	78044
AUTOZONE			5419 MCPHERSON		Laredo	Texas	78045
CINTAS CORPORATION			PO BOX 630921		Cinncinnati	Ohio	45263-0921
G&G AIR CONDITIONING			117 ACADIA LOOP		Laredo	Texas	78045
HOLLON OIL			P.O. BOX 8068		Weslaco	Texas	78599-8068
MCGEE COMPANY			1140 S. JASON ST.		Denver	CO	80223-3133
NAPA AUTO & TRUCK PARTS			501 W. CALTON RD		Laredo	Texas	78041
OFFICE OF THE ATTORNEY GENERAL	TX CHILD SUPPORT SDU		PO BOX 659791		San Antonio	Texas	78265-9791
OREILLY AUTO PARTS	TA OFFILE GOLF ON LODG		4001 Jaime Zapata Highway		Laredo	Texas	78041
PETROLEUM SOLUTIONS INC.			PO BOX 2346		McAllen	Texas	78502
VARIOS			F O DOA 2340		IVICALIELL	i exas	70002
WALTER C. KELLER DISTRIBUTOR, INC.	Charlie Shears		712 Main Street	20th Elean	Hauston	Toyer	77000
	Charlie Shears		712 Main Street P.O. Box 13127	29th Floor	Houston	Texas Texas	77002 78711
Texas Alcoholic Beverage Commission					Austin		
Texas Commission on Environmental Quality			P.O. Box 13087		Austin	Texas	78711-3807
Texas Comptroller			PO Box 13528, Capitol Station		Austin	Texas	78711-3528
Texas Department of Agriculture			PO Box 12847		Austin	Texas	78711-2847
Texas Department of State Health Services	Abusable Volatile Chemicals, MC 1	987	P. O. Box 149347		Austin	Texas	78714-9347
Texas Lottery Commission			611 East 6th Street		Austin	Texas	78701
1/4 MILE GRAPHICS			6420 POLARIS DR. STE.4		Laredo	Texas	78041

Party	Contact Person	Contact Firm	Address1	Address2	City	State	Zip
AMERICAN INTERNATIONAL TRADING LLC			13492 Port Dr		Laredo	Texas	78045
AMERIGAS			PO BOX 371473		Pittsburgh	PA	15250-7473
AT&T			930 Main Street	Suite 103	Houston	Texas	77002
BEN E KEITH CO.	David Greenlee	Corporate Secretary and General			San Antonio	Texas	78218
BEST BUY		(956)728-6989	2455 Monarch Dr		Laredo	Texas	78045
BIMBO		(000). 20 0000	RETURNED - no forwarding ad-	dress	24.040	rondo	
BLUE BELL CREAMERIES		BLUE BELL CREAMERIES	PO BOX 973601	41000	Dallas	Texas	75397-3601
BONAFONT	MALDONADO DISTRIBUTING	BEOL BEEL OILE, WILLIAM	145 LOS FRESNOS LOOP		Laredo	Texas	78046
BORDEN DAIRY COMPANY	WALDONADO DISTRIBOTINO		14211 Distribution Ave		Laredo	Texas	78045
CAVAZOS CANDY PROD & GROCERY WHOLI	ESALE	CAVAZOS CANDY PRODUCE &			Laredo	Texas	78040
CENTERPOINT ENERGY		0/11/12/00 0/11/D1111(0D002 0	PO BOX 2628		Houston	Texas	77252-2628
CHAMPION FINE MEATS			1520 Sherman St		Laredo	Texas	78040
CHAPARRAL DISTRIBUTING LLC			P.O. BOX 301551		Dallas	Texas	75303-1551
CITY OF LAREDO UTILITIES			PO BOX 6548		Laredo	Texas	78042
CNA SURETY			5151 San Felipe Avenue	Suite 1800	Houston	Texas	77056
COCA-COLA REFRESHMENTS	LAREDO SALES CENTER		PO BOX 840232	Suite 1000	Dallas	Texas	75284-0232
COMMERCIAL WASHING SYSTEMS INC.	LAREDO SALES CENTER					Texas	
			20312 HOLZWARTH RD.		Spring		77388
DELI EXPRESS			16101 W. 78th St		Eden Prairie	MN	55344
Deluxe Business Checks & Solutions			PO BOX 64468		St. Paul	MN	55164-4468
DOLLAR TREE STORES, INC.			5410 San Bernardo		Laredo	Texas	78040
E.A. SWEEN (Deli Express)			16101 W. 78th St		Eden Prairie	MN	55344
ECOLAB PEST ELIM			26252 NETWORK PLACE		Chicago	IL	60673-1262
EL COMPETIDOR RESTRAUNT SUPPLIES			1302 CONVENT AVE.		Laredo	Texas	78040
EL DIARIO DE NUEVO LAREDO			1302 Convent Ave		Laredo	Texas	78040
EL MANANA			6010 McPherson Rd	Suite 300	Laredo	Texas	78041
EXQUISITA TORTILLAS, INC.			RETURNED - no forwarding ad-	dress			
FARMER BROTHERS CO			PO BOX 79705		City Of Industry		91716-9705
FASTRAX POS			195 Lake Louise Marie Road		Rock Hill	NY	12775
Federal Withholding							
FRED FLORES			401 East Hillside Road		Laredo	Texas	78041
FRITO-LAY			75 REMITTANCE DR. SUITE 1	217	Chicago	IL	60675-1217
GALLEGOS INTERNACIONAL			308 Iturbide St		Laredo	Texas	78040
GEHL'S HOT TOP2 DISPENSER PROGRAM	a/k/a Sysco Houston		535 Port Wall		Houston	Texas	77029
GRUPO PETROGAS, L.L.C.	•		3200 ASH AVENUE		McAllen	Texas	78501
HEB			1911 Northeast Bob Bullock		Laredo	Texas	78041
HEIGHTS MEAT MARKET			3119 TILDEN		Laredo	Texas	78040
IBC MERCH BNKCD			2320 Northeast Bob Bullock		Laredo	Texas	78041
ICE CREAM MAN PLACE, INC.			417 Market St		Laredo	Texas	78041
INTERNATIONAL BEVERAGES INC.			1901 ADUANALES		Laredo	Texas	78041
JAVIER ESPINOZA					24.040	1 07100	
JESSIE'S DIST. CHICHARRONES			P.O. BOX 2333		Laredo	Texas	78044
JOE'S ELECTRIC			3029 POTOMAC LOOP		Laredo	Texas	78046
KRAMER FOX			PO BOX 151752		Austin	Texas	78715
LABBATT FOOD SERVICE			6650 Pine Vista Lane		Houston	Texas	77092
LAREDO MORNING TIMES	ADAN GONZALEZ		111 Esperanza Dr		Laredo	Texas	78041
LAREDO PACKING DISTRIBUTION	ADAIN GUNZALLZ		3219 DAVIS AVE.		Laredo	Texas	78041
LF DISTRIBUTION			410 Crossroads Loop		Laredo	Texas	78041
MACYS							78045
			5300 San Dario Mall		Laredo	Texas	
MALDONADO DISTRIBUTING			145 Los Fresnos Loop	,	Laredo	Texas	78046
MANUEL TELLEZ			RETURNED - no longer in busir	ness, no forwarding	address		
MARIA E. VAZQUEZ							
MAURO G MARTINEZ			3703 MINTHILL DR.		San Antonio	Texas	78230
MCLANE SOUTHWEST			PO BOX 6138		Temple	Texas	76503

Party	Contact Person	Contact Firm	Address1	Address2	City	State	Zip
Medicare Company							
MILK PRODUCTS, LLC			PO BOX 972430		Dallas	Texas	75397
OAK FARMS SAN ANTONIO			PO BOX 200349		Dallas	Texas	75320
OFFICE DEPOT			5718 N. SAN BERNARDO AVE		Laredo	Texas	78041
ON TARGET INVENTORY SERVICES							
PAYSPOT INC			3500 College Blvd		Leawood	KS	66211
PEPSI BEVERAGE COMPANY			9300 La Porte Frwy		Houston	Texas	
PFG			204 N. BROWNSON	PO BOX 1219	Victoria	Texas	77902-1219
PLASTIC CENTER DISTRIBUTION			RETURNED - no forwarding add	dress			
PRODMEX			1315 Central Ave S		Kent	WA	98032
R&R DISTRIBUTORS			1702 PRIMOSE		Mission	Texas	78572
REDDY ICE			4301 Jaime Zapata		Laredo	Texas	78403
REPUBLIC NATIONAL DISTRIBUTING COMPAN	NY LLC		434 45TH STREET		Corpus Christi	Texas	78405
REX TORTILLA FACTORY			RETURNED - no forwarding add	dress			
SABRINA'S INC.			8680 SAN LORENZO DR.		Laredo	Texas	78045
SAN ANTONIO EXPRESS-NEWS			RETURNED - no forwarding add	dress			
SANDY'S			8680 SAN LORENZO DR.		Laredo	Texas	78045
SOUTHERN CROSS UNDERWRITERS			13105 Northwest Freeway	Suite 950	Houston	Texas	77040
SDI FUEL SERVICES	Charlie Shears		712 Main Street	29th Floor	Houston	Texas	77002
Social Security Company							
SONIA'S DISTRIBUTION, INC			8680 SAN LORENZO DR.		Laredo		78045
SOUTH TEXAS DISTRIBUTION			3219 DAVIS AVE.		Laredo	Texas	78040
SOUTH TEXAS GLASS			602 E. SAN JOSE		Laredo	Texas	78040-1441
SOUTHERN DISTRIBUTING			220 GUADALUPE ST.		Laredo	Texas	78042
SOUTHERN SANITATION			PO BOX 333		Laredo	Texas	78042-0333
STATE HIGHWAY FUND	TEXAS DEPARTMENT OF	TRANSIRIGHT OF WAY DIVISION	PO BOX 13043		Austin	Texas	78711-3043
TEXAS CALIBATRION SERVICES			1017 MERRIMACK LP		Laredo	Texas	78046
THE CD HARTNETT COMPANY			302 N. MAIN		Weatherford	Texas	76086
THE HOUSE OF RENTALS			3901 MCPHERSON		Laredo	Texas	78041
TJ VENTURES			1110 Faragut St		Laredo	Texas	78040
TOM'S			RETURNED - no forwarding add	dress			
TORTILLAS SANTOS			606 Amistad Dr		Laredo	Texas	78041
U.S ENERGY SAVING CORP			PO BOX 4641		Houston	Texas	77210-4641
VASQUEZ APPLIANCE REPAIRS			3516 1/2 GALVESTON ST.		Laredo	Texas	78043
VIVA DISTRIBUTING LLC			PO BOX 203836		Houston	Texas	77216-3836
WALMART			2320 Northeast Bob Bullock		Laredo	Texas	78041
WHITAKER VENT HOOD CLEANING			4001 MOODY DR		Montgomery	Texas	77316